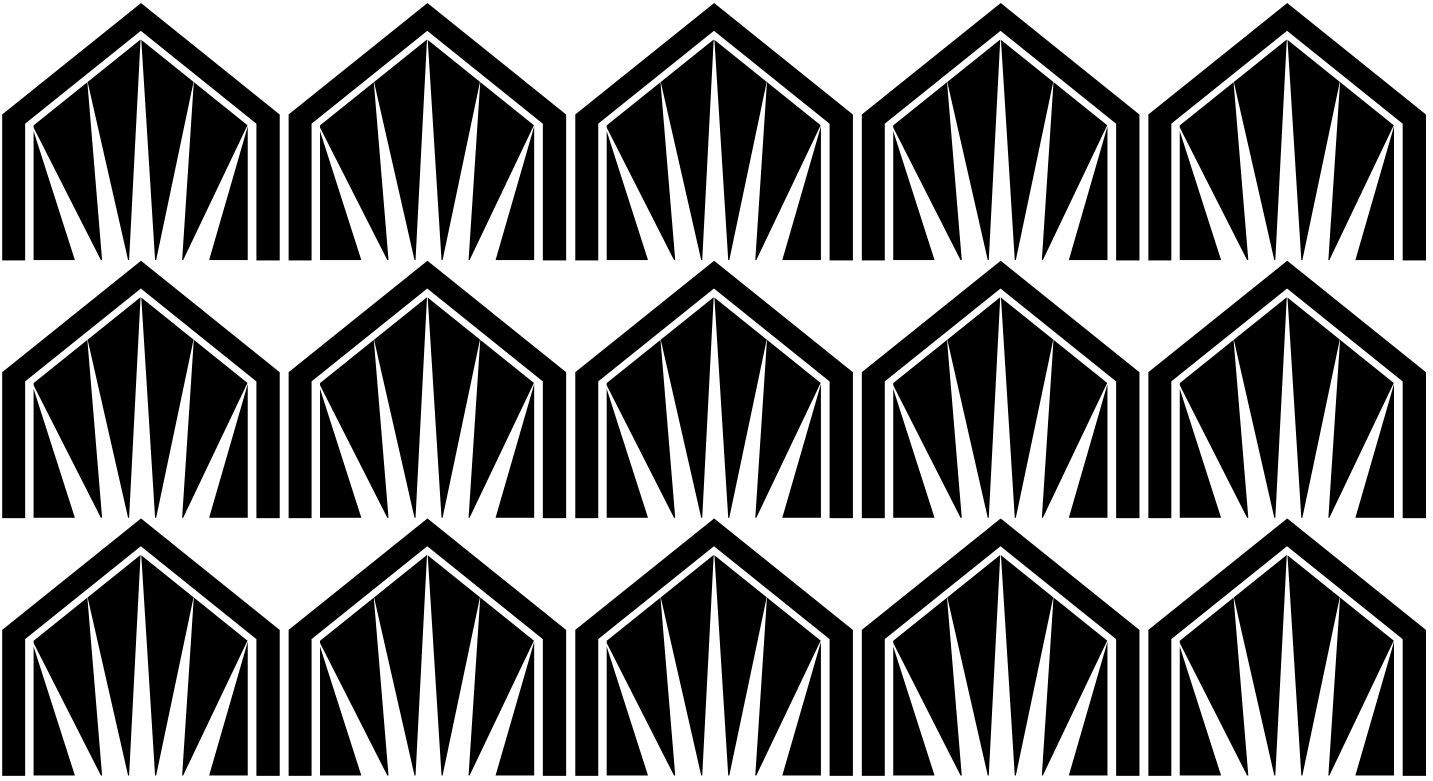
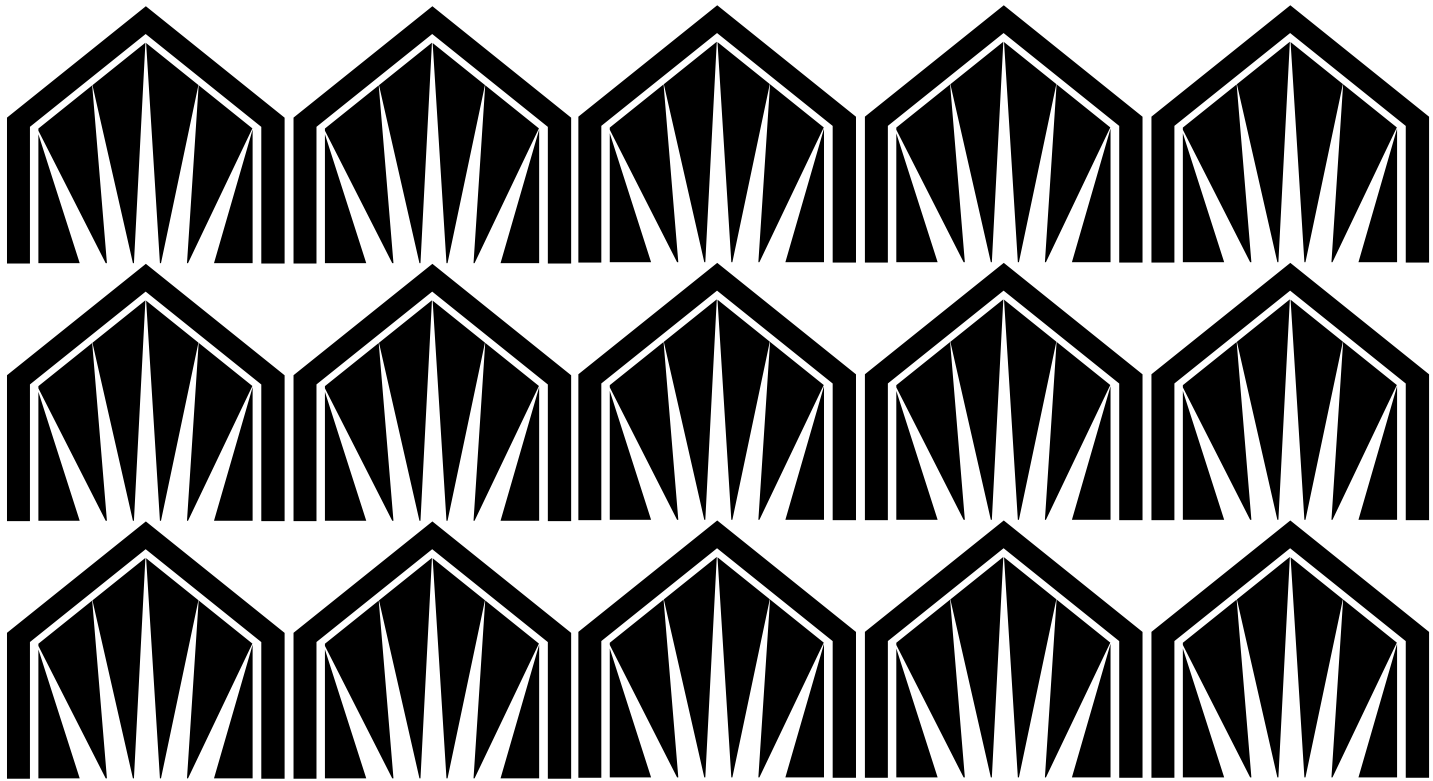




**ASSESSMENT APPEALS**  
**AN OVERVIEW**





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**FREE  
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The Assessment Appeals Public Education Program of the Executive Office of the Los Angeles County Board of Supervisors offers **FREE SEMINARS** covering the assessment appeals process, when and how to file an appeal, and how to prepare for an assessment appeal hearing. For recorded information regarding the current seminar schedule, call **(213) 974-4240** or access

[http://bos.co.la.ca.us/Categories/Appeals SeminarSchedule.htm](http://bos.co.la.ca.us/Categories/Appeals%20SeminarSchedule.htm)  
You may also access the Assessment Appeals Board at  
<http://bos.co.la.ca.us/Categories/PropertyTaxAppeals.htm>

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## ASSESSMENT APPEALS AN OVERVIEW

## Acknowledgements

The Executive Officer of the Los Angeles County Board of Supervisors wishes to acknowledge the fine efforts of Mrs. Afaf Assad, Chief, Assessment Appeals Public Education Program, and Mr. Jeffery W. Hartsough of KH Consulting Group in preparing this booklet. Thanks are also due to John McKibben, Deputy Executive Officer for Management Services and the staff of the Assessment Appeals Division. Members of the Office of the Assessor, Auditor-Controller, Treasurer and Tax Collector staffs reviewed this document during its development. Their insightful comments and suggestions improved the usefulness and clarity of the current revisions to this document. I sincerely appreciate their contributions.

Violet Varona-Lukens, Executive Officer  
Los Angeles County Board of Supervisors

## FREE Public Education Seminars Available

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## Section 1: Introduction

This brochure is one of the many efforts by the Board of Supervisors to ensure that County citizens are provided with useful information about the property tax system and how the assessment appeals process works. The brochure provides the taxpayers of Los Angeles County with a comprehensive source of information concerning the local assessment appeals process.

It is intended to be used primarily by homeowners and owners of other smaller properties who are considering filing an assessment appeal and who will be handling their own appeal should they decide to proceed. As reflected by its comprehensive nature, it is aimed at the taxpayer who earnestly desires more information, and more *complete* information, than is offered in other publications.

This brochure will provide you with a good general understanding of the property tax system. It will also provide you with specific information concerning your appeal rights, how to file an appeal and how to prepare for a hearing. However, this brochure will not make you an expert in the area of property tax assessment. Property assessment is a complex field and requires judgement gained from years of training and experience. While we have tried to be accurate in this brochure, the laws governing the assessment and equalization process are complicated and are subject to change. The law will be the basis for any decision whenever there is a conflict between the law and any statement in this brochure. Although our staff is able to answer most of your general questions regarding procedure, we are unable to render legal advice. We strongly recommend that you consult a property tax attorney or other property tax professional if you have specific questions regarding the substance of your appeal.

The brochure is written in a form specifically addressed to the individual taxpayer. However, it is our intention that it also be used as a reference resource for real estate professionals who have daily contact with property owners, for tax agents and attorneys who represent taxpayers in appeals before the Assessment Appeals Board of Los Angeles County, and as a training tool for the appeals board members, hearing officers, and staff.

### How the Brochure is Organized

This brochure is divided into 9 sections, plus an appendix. If possible, you should read all of the sections; doing so will give you the best overview of how all the pieces fit together and specifically how your appeal fits into the process. If necessary, you can read only the one or two sections that you feel best address your immediate concerns or needs. We have tried to make each section stand on its own, but at the same time have tried to minimize repetition of information found in other sections.

The brochure contains the following sections:

1. Introduction (this section)
2. An Overview of the Property Tax System
3. The Assessment Appeals Board, County of Los Angeles
4. Should You File an Application for Changed Assessment?
5. How and When to File an Application for Changed Assessment
6. How to Prepare for Your Hearing
7. What Happens at your Hearing
8. Information Sources and Contacts
9. Glossary of Terms and Definitions

Because you might not read the brochure from beginning to end, key terms will appear in **boldface type**. All words in boldface type are listed and defined in Section 9, Glossary of Terms and Definitions. Additionally, throughout the brochure cross-references to other parts of the brochure will be provided. These cross-references will be *italicized*. We hope that by using the glossary and reading the cross-referenced parts of the brochure, you will have a better understanding of individual sections.

This brochure was developed under the direction of the Executive Officer, Los Angeles County Board of Supervisors. Any suggestions or comments regarding the brochure would be welcomed and should be directed to:

Assessment Appeals Public Education Program  
Executive Office of the Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

## Section 2: An Overview of the Property Tax System

This section provides a simplified overview of the property tax system in Los Angeles County. The property tax system in Los Angeles County involves at least five different Los Angeles County departments and the cooperation of the 88 cities found within the borders of the County. Figure 2A, *The Property Tax System: County of Los Angeles*, gives you an idea of how all of these various entities interact.

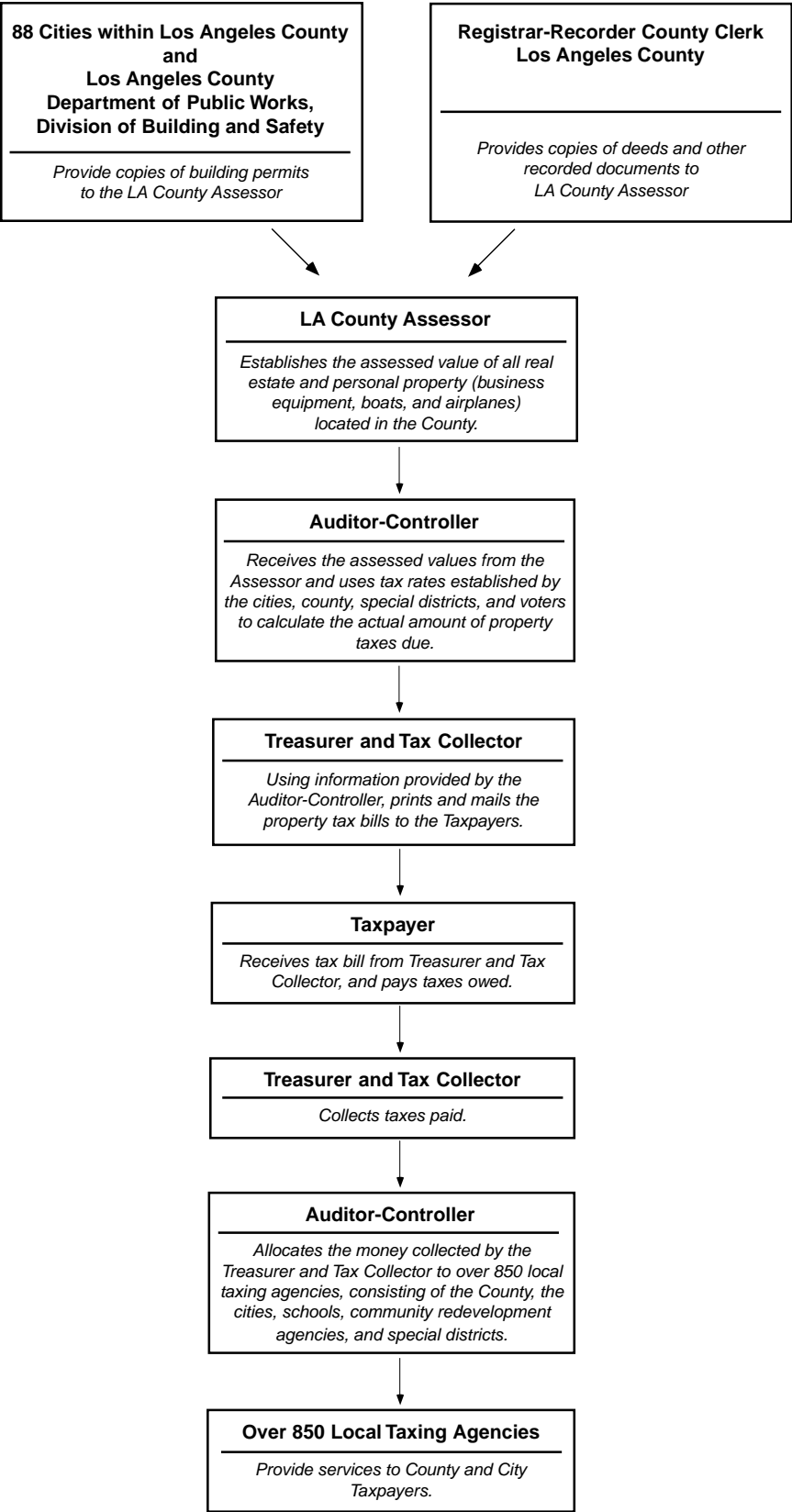
In addition to the 88 cities and many county departments, the property tax system in Los Angeles County is further complicated by the physical size of the County, and the large number of real property parcels and businesses in the County. The assessed value of all property in the County of Los Angeles is equal to approximately \$600 billion; there are approximately 2,250,000 real property parcels and 300,000 businesses with assessable personal property and fixtures located in the County of Los Angeles.

### Personal Property and Real Property

Property is generally divided into two categories: real property and personal property. Real property, also referred to as real estate, is land and the **improvements** (including buildings, structures, **fixtures**, and fences) on or affixed to the land. Personal property is all property that is not real property. Generally, personal property would include business equipment, airplanes, and boats. Certain types of personal property, such as licensed motor vehicles, are not subject to being identified by the County Assessor or being included on the County **local assessment roll**.



**Figure 2A**  
**The Property Tax System: County of Los Angeles**



Personal Property

**Personal property assessments** are handled somewhat differently by the County Assessor than real property assessments. Business owners who have taxable personal property cost of at \$100,000 or more are required to file a Business Property Statement yearly. Similarly, owners of aircraft and boats are required to file a Vessel Property Statement.

Based on the information contained in the Business Property Statement or Vessel Property Statement, the Assessor establishes an assessed value for the **personal property** and **fixtures**. The assessed value of the personal property is used, with the appropriate tax rates, to calculate the property taxes due. The Assessor is required to audit the books and records of a business at least once each four years if the assessable fixtures and tangible personal property has a full value of \$400,000 or more.

If the Assessor's Office does not receive a Business Property Statement or Vessel Property Statement by May 7, the business owner is subject to a 10% late filing penalty.

Taxes on personal property on the unsecured roll as of July 31, are due on or before August 31, and are considered delinquent if not paid by then.

Real Property

For most of us, **real property** is our house and the land on which the house is built. If we look at a single parcel of real property, for example a single-family residential parcel, it becomes a little easier to understand the property tax system.

The point at which most real property owners come in contact with the property tax system is when they receive their Annual Tax Bill. You should take the time to read and understand your Annual Tax Bill; on the back of the tax bill you will find useful information about your property tax bill.

Although the Treasurer and Tax Collector issues many different types of real property tax bills, all tax bills have the following in common: (1) identification of the Fiscal Year for which the taxes are being billed and when the taxes are due; (2) Assessor's Identification Number of the property; (3) the description of the property being taxed; (4) the name and address of the owner of record; (5) the assessed value of the taxable property; and (6) details showing the tax subcategories, tax rates, and taxes due.

The **Assessor's Identification Number** (AIN) is used to uniquely identify your specific property. The AIN, also known as the Map Book, Page, and Parcel number, is ten digits long.

The Map Book number is 4 digits long, the Page number is 3 digits long, and the Parcel number is 3 digits long. This number is important because it is used on all records and correspondence concerning your real property. On the tax bill it will look like this:

ASSESSOR'S ID. NO.				
Year	Seq. No.	Map Book	Page	Parcel
00	000	1234	020	012

The “Year” and “Seq. No.” (Sequence Number) information is used to identify the tax year and type of tax bill. The “Map Book”, “Page”, and “Parcel” numbers uniquely identify the real property.

Your property taxes are generally determined by two factors: the assessed value of the property and the tax rate for the area in which the property is located. In California these two factors are controlled through the provisions of Proposition 13, one of the things that makes the property tax system in California somewhat unique.

**Proposition 13**

In 1978 the voters of California passed **Proposition 13**; this voter approved initiative substantially changed the taxation of real property in California. Under Proposition 13 the general tax rate cannot exceed 1% of a property's assessed value. Proposition 13 also places limits on when real property can be reappraised.

**Proposition 13 and the Tax Rate**

Under Proposition 13 the general tax levy for all agencies cannot exceed 1% of a property's assessed value. In addition to the 1% general tax levy, two other general categories of taxes are allowed: (1) taxes for voter approved bonded indebtedness, and (2) **direct assessment** taxes levied by agencies to pay for services such as lighting maintenance, weed abatement, etc. Your tax bill lists each of these components separately in the area of the tax bill where the detail of taxes due is shown.

Figure 2B, Detail of Taxes Due, is an example of what you might find on a tax bill if the net taxable value of the real property was \$23,442. You can see in this example that for the general tax levy category the tax rate is 1%. In the voted indebtedness category there are 5 items listed, the tax rate for each is determined and approved by voters. In the third category, direct assessments, 8 items are listed, the taxes due are calculated based on the use, location, and particulars of the property. *If you look at your own tax bill you will see a similar breakdown of your taxes into these three general categories.* Note: The tax rates for any particular property will be based on the property's location; a property's location determines which local taxing agencies have the authority to tax real property.

**Figure 2B**  
**Detail of Taxes Due (Example)**  
**For a Property With a Net Taxable Value of \$23,442**

AGENCY	AGENCY PHONE NO.	RATE	AMOUNT
GENERAL TAX LEVY ALL AGENCIES		1.000000 \$	234.42
VOTED INDEBTEDNESS COUNTY		.001314 \$	.31
CITY-LOS ANGELES		.026391	6.18
METRO WATER DIST		.008800	2.06
FLOOD CONTROL		.001552	.47
UNIFIED SCHOOLS		.040765	9.55
DIRECT ASSESSMENTS			
CITY LT MTC	(213) 847-5510	\$	43.51
COUNTY PARK DIST	(213) 738-3014		18.27
CITY LND/LT 96-1	(213) 847-9579		18.15
LA STORMWATER	(213) 473-8074		17.04
CTY FTAX REFUND	(213) 847-0996		-17.79
GREATER LA MOSQ	(213) 944-9656		4.26
CITY 911 FUND	(213) 847-0996		15.55
FLOOD CONTROL	(213) 458-3972		21.37
TOTAL TAXES DUE			\$373.35
FIRST INSTALLMENT TAXES DUE NOV. 1, 2000			\$186.68
SECOND INSTALLMENT TAXES DUE FEB. 1, 2001			\$186.67

Proposition 13 and Assessed Values

Under Proposition 13, reappraisal of real property and increases in **assessed value** of real property are limited. Real property can be reappraised only: (1) when a change in ownership occurs, (2) when new construction is completed, or (3) when new construction is partially completed on the lien date. When one of these three things happen, the Assessor is mandated under Proposition 13 to reappraise the property. The appraised value established by the Assessor when one of the first two events occurs is called the **base year value** of the property.

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If the Assessor reappraises a parcel of real property, the Assessor is required to send a **Notice of Assessed Value Change** to the owner indicating both why the property was reappraised and what the new assessed value is. If you receive a Notice of Assessed Value Change, you should read it carefully, making sure you understand the reason for the assessed value change. (See *Appendix, pages 52-53, for an example of a Notice of Assessed Value Change.*) If you disagree with either the reason the property was reappraised or the new assessed value, you may want to talk to the Assessor’s Office or file an appeal with the Assessment Appeals Board.

If you decide to file with the Assessment Appeals Board, an application to change an escaped assessment, a supplemental assessment, or an assessment made outside the regular assessment period, shall be filed with the clerk no later than sixty (60) days after the date of mailing of the tax bill for that assessment.

Except for these three instances, Proposition 13 limits how much the assessed value of a property may be increased in any one year. Proposition 13 provides that the assessed value of your property may be increased annually by an inflation factor, based on the California Consumer Price Index (CCPI). However, it may not be increased by more than 2% in any one year as a result of this inflation factor. The inflation factor is applied each year to your property’s assessed value for the previous year. This adjusted assessed value is called the **trended base year value**.

The assessed value of your property is shown on your tax bill. Figure 2C, *Assessed Value as Shown on an Annual Tax Bill*, is an example of what you might find on your tax bill. The assessed value, in this example, is allocated between “land” and “improvements”. The term “improvements” means buildings or anything of a structural nature, including fences, retaining walls, pools, paving, etc. Having an assessed value for “improvements” does not necessarily mean that you have recently made any improvements to your property; it only means that “improvements” exist on the property. You can see in this example that the current assessed value of the land is \$11,949, and the current assessed value of the improvements is \$18,493. If you look at your own tax bill, you will see a similar breakdown of the current assessed values.

**Figure 2C**  
**Assessed Value as Shown on an Annual Tax Bill**

VALUATION INFORMATION		
ROLL YEAR 00-01	CURRENT ASSESSED VALUE	TAXABLE VALUE
LAND	11,949	11,949
IMPROVEMENTS	18,493	18,493
TOTAL		30,442
LESS EXEMPTION: HOME		7,000
NET TAXABLE VALUE		23,442

**Exemptions, Exclusions, and Tax Relief**

The Assessor is obligated to appraise all property in Los Angeles County at its fair market value: (1) when a change-in-ownership occurs, (2) when new construction is completed, or (3) when new construction is partially completed “as of” the lien date. Taxes are normally calculated based on the fair market value of the property as determined by the Assessor. There are, however, special laws that allow for the assessed value of properties to be adjusted. These adjustments normally result in the reduction of the taxable assessed value of the property, and therefore reduce the amount of property taxes due.

Following is information about the more common exemptions, exclusions, and tax relief laws that might apply to you. Information pamphlets covering many of these propositions and exemptions are available through the Assessor’s Office. To qualify for these exemptions you must not only meet the necessary criteria, but you must also comply with the requirements to submit claims on a timely basis with the Assessor’s Office. If you need additional information about these exemptions, exclusions, and tax relief, contact the Assessor’s Office at one of the Assessor’s Public Service Locations (*See Section 8, Information Sources and Contacts*). Many of these exemptions and exclusions are subject to changes in state law each year. The Assessor’s Office will have current information.

**Homeowner’s Exemption**

If you own a home and occupy it as your principal place of residence on the lien date, January 1, you may apply for an exemption of \$7,000. The \$7,000 exemption will be used to reduce the taxable value of your property. A free **Homeowner’s Exemption** application is automatically sent to all new property owners. You can see if you are currently receiving the Homeowner’s Exemption by reviewing the part of the tax bill that shows the assessed value and net taxable value. (*For an example see this Section, Figure 2C.*) The Homeowner’s Exemption is shown as a \$7,000 amount on the line “Less Exemption - Home”.

You must apply for the Homeowner’s Exemption to receive it. There is no charge for filing the Homeowner’s Exemption application claim. If you have any questions, contact one of the Assessor’s Public Service Locations. (*See Section 8, Information Sources and Contacts.*)

**Disaster Relief**

If a major calamity, such as an earthquake, fire, or flood, damages or destroys your property, you may be eligible for property tax relief. To qualify for property tax relief (1) the loss must be equal to or greater than \$5,000 and (2) you must file a Misfortune or Calamity Claim with the Assessor’s Office within 60 days of the date the property was damaged or destroyed, unless specified otherwise by County ordinance. There is no charge to file a Misfortune or Calamity Claim with the Assessor’s Office. To qualify for tax relief based on “**disaster, misfortune, or calamity**”, the damage to your property must be the result of some event out of the ordinary. Your property must be physically damaged or destroyed by a sudden, unexpected, and unforeseeable occurrence beyond your control. Damage to property that occurred gradually due to ordinary natural forces would not qualify for disaster relief.

**Supplemental Tax Bill**

A Supplemental Tax Bill is issued when, due to a change in ownership or new construction, real property is reappraised. A Supplemental Tax Bill is calculated based on the difference between the old assessed value and the new assessed value and prorated for the remaining part of the tax year. *See page 15.*

**Supplemental Assessments**

A Supplemental Assessment is the difference between the old assessed value and the new assessed value of a property subject to reappraisal due to change in ownership or new construction. Tax rates are applied to the Supplemental Assessment when calculating the **Supplemental Tax Bill**. *See page 15.*

**Tangible Personal Property**

*See Personal Property, page 4.*

**Tax Bills**

Tax Bills are issued by the Los Angeles County Treasurer and Tax Collector based on the assessed value of the property as determined by the Assessor and the appropriate tax rates. There are three general types of tax bills: annual; supplemental; and adjusted, corrected, or escaped. *See page 23.*

**Trended Base Year Value**

The Trended Base Year Value is equal to the **Base Year Value** for the property increased annually by an inflationary factor (not to exceed 2% under Proposition 13). Each year, the inflationary factor is applied to the prior year’s assessed value. *See page 16.*

**Unsecured Property**

Unsecured Property is generally classified as property on which a lien is not used to secure the payment of taxes. **Personal property** and business personal property are examples of unsecured property.

**Valuation Date**

The Valuation Date is the date used by the Assessor when establishing the assessed value for property. For example, when property changes ownership, the date of transfer is the valuation date. For routine annual tax bills, the assessed value is established as of the **lien date**, which would, therefore, also be the Valuation Date. *See page 28, and Figure 6A, page 26.*

#### Proposition 58 -- Parent and Child Exclusion

Proposition 58 allows real property that is transferred between parents and children to avoid the reappraisal that is normally required by **Proposition 13** when a change in ownership occurs. Under Proposition 58 the original base year value is maintained. You must file a claim with the Assessor's Office to be eligible for the benefits under Proposition 58. See *page 10*.

#### Proposition 60 -- Exclusion for Seniors

Proposition 60 allows individuals at least 55 years of age to transfer the assessed value of their current residence in Los Angeles County to a replacement residence in Los Angeles County under certain circumstances. You must file a claim with the Assessor's Office to be eligible for the benefits under Proposition 60. See **Proposition 90**. See *page 10*.

#### Proposition 90 -- Exclusion for Seniors

Proposition 90 allows individuals at least 55 years of age to transfer the assessed value of their current residence in one California county to a replacement residence in a different California county under certain circumstances, provided both counties have adopted ordinances to participate in the program. You must file a claim with the Assessor's Office to be eligible for the benefits under Proposition 90. See **Proposition 60**. See *page 10*.

#### Real Property

Real Property is generally land and improvements erected, growing on, or affixed to the land. Improvements include buildings, structures, **fixtures**, and fences; as well as fruit, nut bearing, or ornamental trees and vines, not of natural growth. Real Property includes any rights associated with the ownership of the land. See *page 4*.

#### Regular Filing Period

The Regular Filing Period is July 2 through September 15. If September 15 falls on a holiday or a weekend, the Regular Filing Period is extended through the next business day. See *page 23, and Figure 5A, page 22*.

#### Rule Book

The Rule Book refers to a set of rules, adopted by the Board of Supervisors of the County of Los Angeles, that in conjunction with applicable state laws and statutes, establishes local rules that govern the operation of the Assessment Appeals Board.

#### Secured Property

Secured Property is generally classified as property on which a lien is used to secure the payment of taxes. **Real property** (land and improvements) is an example of secured property.

At the time of the 1994 Northridge earthquake, a special County ordinance was enacted allowing for special handling of property losses caused by the earthquake and the filing of claims to cover those losses. Under provisions of such ordinances, the requirement to file within 60 days may be changed. If no such ordinances have been enacted by the Board of Supervisors, applications for property tax relief due to misfortune or calamity must be filed with the Assessor's Office within 60 days of the calamity.

If you file a timely Misfortune or Calamity Claim, the Assessor's Office will reappraise the property to reflect its damaged condition and will send you a notice of the reassessment or reduction. If you are not satisfied with the reassessment or reduction you may file an Application for Changed Assessment (an appeal) with the Assessment Appeals Board. This appeal must be filed with the Assessment Appeals Board within 14 days of the mailing date shown on the Assessor's notice.

If you have received tax relief as a result of a disaster or major calamity, once you rebuild or repair your property, restoring it to its pre-damaged condition (without adding additional rooms or improving the quality of construction or materials), the assessed value of the property will be restored to its pre-damaged value for tax purposes.

#### Proposition 8 -- Decline in Value

**Proposition 8** allows the Assessor to temporarily reduce the assessed value of your real property under certain conditions. If the fair market value of your property as of the lien date is less than the assessed value as established by the Assessor, the Assessor's Office may reduce the assessed value of your property.

**If you have good reason to believe that the assessed value of your real property is too high, filing an Application for "Decline-In-Value" Reassessment (Prop. 8) form with the Assessor's Office, as allowed by Proposition 8, is usually the first step to take.** A free application form is available from the Assessor's Office, and there is no charge for filing. Take the time to read the instructions on the form and ask for clarification or help from the Assessor's Office if you have any questions.

The completed application form may be filled with the Assessor's Office any time between January 1 and December 31. You will be notified by the Assessor's Office if any change in the assessed value of your property will be made by the Assessor. Any adjustments made to your assessed value will apply to the next tax year. For example, if an application submitted in February, 2001, results in a reduced assessed value, the new reduced assessed value will be on the 2001-2002 Annual Tax Bill. The 2001-2002 Annual Tax Bill covers the year July 1, 2001 through June 30, 2002.

When the Assessor's Office notifies you of their decision regarding your Application for "Decline-In-Value" Reassessment (Prop. 8) application, if you are not satisfied with the results, you may still file an Application for Changed Assessment with the Assessment Appeals Board during the regular filing period (July 2 through September 15).

If you have not heard from the Assessor's Office by July 2, you should consider filing an appeal with the Assessment Appeals Board before the end of the regular filing period (July 2 through September 15). Filing an appeal with the Assessment Appeals Board will protect your right to appeal the Assessor's decision should the Assessor notify you after the September 15 appeal filing deadline. If you do not file an application with the Assessment Appeals Board on or before the September 15 deadline, and you disagree with the Assessor's decision on your Application for "Decline-In-Value" Reassessment (Prop. 8) application, you will have no further right to appeal for that tax year.

If you do not file an Application for "Decline-In-Value" Reassessment (Prop. 8) form with the Assessor's Office, you can still request a reduction in the assessed value of your property under Proposition 8 by filing an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period of July 2 through September 15. Application for Changed Assessment forms are free and are available from the Assessment Appeals Board. There is no charge for filing. (See *Section 3, Assessment Appeals Board*.)

The Prop. 8 reduction is temporary ; it applies only to the year of the application. Each year, as of the lien date (January 1), the Assessor must review the properties with a Prop. 8 assessment to verify whether the conditions that resulted in a decline in value still exist. If the market value of the property increase, the Assessor will adjust the assessed value up to the fair market value. Please keep in mind that the Assessor, in this case, is not limited to the 2% increase, but the new assessment will not exceed the original trended base year value.

#### Proposition 58 -- Parent & Child Exclusion

**Proposition 58** allows that, under certain circumstances, the transfer by sale, gift, or inheritance of real property between parents and children may be excluded from the reappraisal that is normally required by Proposition 13. To qualify, the transfer must be between parents and children. Natural born children, children adopted before age 18, stepchildren, sons-in-law, and daughters-in-law qualify as "children." The transfer can be from child to parent as well as from parent to child.

Proposition 58 applies to transfers occurring on or after November 6, 1986. Ordinarily, the claim must be filed with the Assessor's Office within three years after the date of purchase or transfer of real property for which the claim is filed, or prior to transfer of the real property to a third party, whichever is earlier. However, the claim shall also be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed. Free claim forms and information are available at the Assessor's Public Service Locations. (See *Section 8, Information Sources and Contacts*.)

#### Proposition 60 and Proposition 90 -- Exclusion for Seniors

Under the provisions of **Proposition 60**, if you or your spouse is 55 years of age or older and you are purchasing a different residence to replace your current residence, you may be able to have the assessed value of your current residence transferred to the replacement residence. Because the assessed value (trended base year value under Proposition 13) of your current residence may be significantly less than the fair market value of your replacement residence, this exclusion can be beneficial.

#### Open Market Transaction

An Open Market Transaction is one in which property is made available for sale in an open and unrestricted manner, in which interested parties are knowledgeable of the uses to which the property may be put, and in which there is a reasonable time for parties interested in the property to become aware of, examine, and make an offer on the property. See *page 14*.

#### Ownership Issues

An Ownership Issue is caused when the property owner and the Assessor disagree as to whether a **Change in Ownership** has occurred. For example, such a disagreement may be caused when a property is transferred between parents and children using the exclusion under **Proposition 58**. See *Change in Ownership Reappraisals, page 14*.

#### Penal Assessments

Penal Assessments generally refer to assessments made due to a property owner failing to provide to the Assessor information required by law or requested by the Assessor. For example, failure to file a Personal Property Statement as required or requested may result in a penal assessment of 10%. See *page 17*.

#### Personal Property Assessments

Personal Property Assessments are generally based on Personal Property Statements filed by the property owner with the Assessor's Office between the lien date and April 1 on an annual basis. See *page 4*.

#### Personal Property (Tangible)

Tangible Personal Property refers to things that may be touched and moved such as machinery, equipment, supplies, material, airplanes, boats, or vehicles. Personal Property is distinguished from **Real Property** (land and improvements). See *page 4*.

#### Proposition 8 -- Decline in Value

Proposition 8 (Prop. 8) allows the Assessor to reduce temporarily the assessed value of real property if the fair market value of the property on the lien date is less than the current assessed value. To benefit from Proposition 8 the property owner must file a claim with either the Assessor or the Assessment Appeals Board, or both. See *page 9*.

#### Proposition 13

Proposition 13, a 1978 voter approved initiative, substantially changed the taxation of real property in the State of California. Proposition 13 limits the general tax levy to not more than 1% of a property's assessed value. Proposition 13 limits when real property can be reappraised. Proposition 13 also allows for an annual increase in the assessed value of real property based on an inflation factor (not to exceed 2% annually). See *page 5*.



#### Jurisdiction of Assessment Appeals Board

The Assessment Appeals Board's jurisdiction is primarily the determination of the fair market value of property for which an application for equalization (Application for Changed Assessment) is made. The Assessment Appeals Board may also hear appeals on certain types of penalties and on "legal" issues of **change in ownership** and **new construction**. See page 11.

#### Lien Date

The Lien Date is the date on which taxes for any fiscal year become a lien on property. Beginning with the 1997-1998 fiscal year, the lien date was changed to the January 1 that immediately precedes the fiscal year. For example, the lien date for fiscal year 1998-1999 (July 1, 1998 through June 30, 1999) is January 1, 1998. Prior to the 1997-1998 fiscal year, the lien date was March 1. See page 25.

#### Local Assessment Roll

The local Assessment Roll is a listing, prepared by the Assessor's Office, of all property in the County for which the Assessor is responsible for determining an assessed value. See page 2.

#### Market Approach to Value

The Market Approach to Value is one of the methods used to determine the value of property; it uses the value as determined by the open market to establish the assessed value of a property. The Market Approach to Value is the same as the **Comparable Sales Approach to Value**. See page 27.

#### Misfortune and Calamity

Misfortune and Calamity refer to possible tax relief for property damaged by "disaster, misfortune, or calamity." Property damage must be the result of some event out of the ordinary, such as a sudden, unexpected, and unforeseeable occurrence beyond the property owner's control, for example, earthquake, flood, or fire. Damage to property that occurred gradually over time due to ordinary natural forces would not qualify for disaster relief. See page 8.

#### New Construction

New Construction is a term referring to the addition of any land or improvements (new buildings, structures, etc.) or alteration of land or improvements that would constitute a major rehabilitation made to a property since the last lien date. Proposition 13 requires that New Construction, when partially complete on the lien date or at the time of completion, be assessed and that a new base year value be placed on the local assessment roll. See page 15.

#### Notice of Assessed Value Change

The Notice of Assessed Value Change is a document issued by the Assessor's Office when the Assessor establishes a new assessed value for a property. The notice will identify the property, state the reason for the change in assessed value, and show both the old and the new assessed value for the property. A Notice of Assessed Value Change may cover more than one year. Generally, the property owner has 60 days from the date the notice is mailed to appeal the new assessed value. See page 7.

Generally, to qualify for the exclusion: (1) the fair market value of your replacement residence must be equal to or less than the fair market value of your current residence, (2) the replacement residence must be purchased or newly constructed within two years (before or after) of the date of sale of your current residence, and (3) both the current residence and replacement residence qualify for the homeowner's exemption. This exclusion may only be used once; it is a one-time benefit.

**Proposition 90** allows you to transfer the assessed value of your current residence in one county to your replacement residence in another county, provided that the county where you are purchasing your replacement residence has adopted an ordinance to participate in this program. Los Angeles County accepts Proposition 90 filings, but not all counties in California participate. Please check with the Assessor's Office of the county where you are planning to purchase your replacement residence to see if you qualify.

Claim forms are free and must be filed timely with the Assessor's Office within three years following the purchase of the replacement residence. Information and claim forms are available at the Assessor's Public Service Locations. (See Section 8, *Information Sources and Contacts*.)

## Section 3: The Assessment Appeals Board, County of Los Angeles

This section gives you some background information about the **Assessment Appeals Board (Board)** of the County of Los Angeles. We believe that this information will give you a better understanding of the environment in which the assessment appeals process occurs.

### The Assessment Appeals Board

Under authority of the California State Constitution, the **Board of Supervisors** of Los Angeles County has created the Assessment Appeals Board to sit as the board of equalization for the County of Los Angeles. Prior to the establishment of the Assessment Appeals Board, the Los Angeles County Board of Supervisors performed the functions of the County board of equalization.

**The Assessment Appeals Board is not part of the Assessor's Office.** Assessment Appeals Board members are appointed by the Los Angeles County Board of Supervisors, in accordance with the eligibility requirements established by State law. Each Assessment Appeals Board is made up of three members. The support staff for the Assessment Appeals Board is part of the Executive Office of the Board of Supervisors.

Acting as the **County board of equalization**, the Assessment Appeals Board ensures that all real property and personal property within the County is fairly assessed according to applicable California law. The primary function of the Board is to conduct impartial hearings on property assessment disputes between taxpayers and the County Assessor. Based on the evidence presented at these hearings, the Board determines the fair market value of the disputed property. The Board-established assessed value for the real or personal property is entered on the County property tax roll and is used to determine the appropriate property taxes. Generally, hearings before the Assessment Appeals Board are held in the Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles.

**Assessment Hearing Officer Program**

In addition to the three-member Assessment Appeals Boards, the Board of Supervisors has established an Assessment **Hearing Officer Program**. The Assessment Hearing Officer Program (**Hearing Officer**) was established to resolve less complex issues of valuation relating to single family residences, condominiums, cooperatives, or multiple family dwellings of four units or less, regardless of value, and other properties that do not exceed \$3,000,000 in assessed value.

When filing an Application for Changed Assessment (an assessment appeal) with the Assessment Appeals Board, if your property qualifies, you may choose whether to have your appeal heard before an Assessment Hearing Officer or to have your appeal heard before an Assessment Appeals Board. You are not required to use an Assessment Hearing Officer to hear your appeal, even if your property meets the Assessment Hearing Officer criteria.

Hearings before an Assessment Hearing Officer are less formal than hearings before an Assessment Appeals Board. A single Assessment Hearing Officer reviews evidence presented at the hearing by you and the Assessor’s Representative and makes a recommendation regarding the fair market value of your property to the Assessment Appeals Board. The Assessment Appeals Board reviews the Hearing Officer’s recommendation and either accepts or rejects the recommendation. *(The Hearing Officer process is discussed in greater detail in Section 7.)*

**Assessment Appeals Board Operations**

The Assessment Appeals Board staff is part of the Executive Office of the Board of Supervisors, and is located in the Kenneth Hahn Hall of Administration. To obtain free Application for Changed Assessment forms, or if you have any questions concerning the assessment appeals process, contact the Assessment Appeals Board staff at:

County of Los Angeles  
Assessment Appeals Board  
Kenneth Hahn Hall of Administration, Room B-50  
500 West Temple Street  
Los Angeles, CA 90012  
(213) 974-1471 or  
Toll Free Number (888) 807-2111

Mailing Address:

County of Los Angeles  
Assessment Appeals Board  
P.O. Box 53596  
Los Angeles, CA 90053-0596

Applicants who are hearing impaired who have TDD equipment may have a message by calling (213) 893-7807 (TDD) or use California Relay Service (800) 735-2929

**Fixture**

A fixture is an improvement (equipment, machinery, etc.), physically or constructively made to be a part of a piece of real property, that is directly used in a trade, industry, business, or profession. *See page 2.*

**Full Cash Value**

Full Cash Value means the amount of cash or its equivalent that a property would bring if sold in an open market, arms length transaction. Other terms that are used to mean the same thing as Full Cash Value are “full value,” “cash value,” “actual value,” and “fair market value.” *See page 25.*

**Hearing Officer Program**

The Hearing Officer Program was established to resolve less complex issues regarding the assessed value of certain types of property. Properties which are single family residences, condominiums, cooperatives, or multiple family dwellings of four units or less, regardless of value, may be heard before a Hearing Officer. Also, other properties that do not exceed \$3 million in assessed value may also be heard before a Hearing Officer. *See Assessment Hearing Officer Program, page 12.*

Hearings before a Hearing Officer are less formal than hearings before an Assessment Appeals Board.

**Hearing Officer**

A Hearing Officer presides at a hearing in which the taxpayer/property owner and the Assessor’s Office present evidence in support of an assessment appeal. The Hearing Officer is appointed by the Board of Supervisors and is knowledgeable in the areas of assessment, valuation, and other matters of property taxation. *See page 12.*

**Homeowner’s Exemption**

If you own a home and occupy it as your principal place of residence, you may apply for a homeowner’s exemption of \$7000.00, which will reduce the taxable value of your property. *See page 8.*

**Income Approach to Value**

The Income Approach to Value is one of the methods used to determine the value of property; it is a method used when the property is of the type typically purchased to generate income. The method relies on projected gross income, expenses, and a specified capitalization method and rate. *See page 28.*

**Improvement**

Improvements consist of buildings, structures, fixtures, and fences erected on or affixed to land. Certain types of agricultural plants may also be considered as improvements. *See page 2.*

#### Equalization Board

Equalization Board generally refers to the California State Board of Equalization. In addition to resolving disputes between the state and property owners on questions of property taxed at a state level, the State Board of Equalization establishes state-wide property tax policies and practices. The State Board of Equalization also ensures that state-wide property tax policies and practices are uniformly applied throughout the State.

#### Evidence

Evidence, presented by the property owner and the Assessor, is what the Assessment Appeals Board must rely on to determine the fair market value of a subject property. Evidence may be any information that is relevant to the issue before the Assessment Appeals Board and on which a responsible individual would rely in the conduct of serious business. Formal or technical rules relating to evidence and witnesses do not prevent the use of any information that would be useful and relevant in determining an assessed value and in holding a full and fair hearing. See page 27.

#### Fair Market Value

Fair Market Value is the value or price that is established in a transaction in which a property is sold in the open market with a reasonable time for the seller to find a purchaser. Both the seller and purchaser should be attempting to maximize their gains while neither is in a position to take advantage of the other. See page 27.

#### Filing Period

The Filing Period is the period of time when a property owner must submit an Application for Changed Assessment to the Assessment Appeals Board if the application is to be considered valid and properly filed. See *Application Due Dates*, page 21.

The regular filing period for applications to appeal your Annual Tax Bill is July 2 through September 15. *Note: This means that you will need to submit your application before you actually receive your Annual Tax Bill.*

The filing period to appeal a new assessment when you are notified by receipt of a Notice of Assessed Value Change, or a Supplemental, Adjusted, or Corrected Tax Bill, is within 60 days from the date the notification or tax bill was mailed.

The filing period for Misfortune and Calamity is more restrictive. If you wish to appeal the Assessor's decision regarding a Misfortune and Calamity claim, the application must be filed with the Assessment Appeals Board within 14 days of the date of mailing of the notice of the Assessor's decision.

#### Fiscal Year

A Fiscal Year is a continuous 12-month period used by a government or business as its accounting period. The County of Los Angeles uses the period of July 1 through June 30 as the County's fiscal year.

## Section 4: Should You File an Application for Changed Assessment?

Your property taxes are determined by two factors: (1) the assessed value of your property and (2) the tax rates established by the voters, cities, county, state, and other governmental agencies. The assessed value of your property is determined by the County Assessor. As mentioned earlier (see *Section 2, Proposition 13 and the Tax Rate*, page 5), the area in which your property is located determines the voted indebtedness and direct assessment tax rates that are used, in conjunction with the general tax levy of 1%, to calculate your taxes.

The assessment appeals process allows you, under certain circumstances, to challenge the assessed value set by the County Assessor for your property. If you are able to get the assessed value of your property reduced, your property taxes will be reduced also.

So the question is, should you file an appeal? It would be convenient to be able to appeal the assessed value of your property simply because you think that your taxes are too high, or because you disagree with a voter approved indebtedness or the purpose of a direct assessment. Such reasons, alone, are not admissible evidence and would not justify filing an appeal.

*You should file an appeal if you believe that the assessed value as established by the Assessor's Office is incorrect, and if you have admissible evidence that will support what you believe is the correct assessed value.*

### Reappraisable Events and Base Year Value

Under Proposition 13 the County Assessor is required to appraise property when: (1) a change in ownership occurs, (2) new construction is completed, or (3) construction is partially completed on the lien date. When one of these things happens, the County Assessor determines the fair market value of the property as of the date of purchase or change of ownership, the date on which new construction is completed, or the lien date if the new construction is partially completed. The fair market value determined when one of the first two events occurs is called the **base year value** for the property.

When the County Assessor establishes a new base year value for a property, the Assessor must send the property owner a Notice of Assessed Value Change. The Notice of Assessed Value Change tells the property owner why the property was reappraised, what the new assessed value (new base year value) is, and the valuation date for the new assessed value. In some cases, your first notice of a new base year value may be when you receive a Supplemental, Corrected, or Adjusted Tax Bill. You should read the notice or tax bill carefully, making sure you understand the reason for the new base year value, the reason for the reappraisal, and the date on which the new assessed value was determined.

If you disagree with the new **base year value**, you should first contact the Assessor's Office to request an informal review. If, after this review, you still disagree with the value and have admissible evidence to support your opinion of value, you should file an appeal with the Assessment Appeals Board. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on the Notice of Assessed Value Change or on the Supplemental, Corrected, or Adjusted Tax Bill.

If you do not file within the 60 day period, and still wish to dispute the new base year value, you must file your appeal during the regular filing period (July 2 through September 15) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

It is to your advantage to file an appeal of a new base year value as soon as possible. If your appeal is successful and the Assessment Appeals Board reduces the base year value, the reduction will be effective for the year in which the appeal is filed and prospectively thereafter; it will not be retroactive. So if you wait until the third year after the enrollment of the new base year value, any reduction will only be applied beginning in the third year.

### Change in Ownership Reappraisals

When a **change of ownership** occurs, the Assessor receives a copy of the deed from the Recorder's office (see *Section 2, Figure 2A, The Property Tax System, page 3*) and determines whether a reappraisal is required under Proposition 13. If the Assessor determines that it is required, a reappraisal is made to determine the fair market value as of the transfer date, in order to establish the new **base year value**.

The Assessor is required to send the property owner a Notice of Assessed Value Change informing the property owner of the change in assessed value and why the property was reappraised. If you believe that no change in ownership occurred, you should contact the Assessor's Office, Ownership Section, to determine why the Assessor believes that a change in ownership did occur. If you disagree with the Assessor's Office, then you should file an appeal with the Assessment Appeals Board.

The receipt of a deed by the Assessor does not always, however, require the reappraisal of the property. For example, the transfer of property between husband and wife does not cause a reappraisal for property tax purposes. Similarly, property transfers resulting from death, divorce, or the addition of joint tenants are not necessarily reappraisable changes of ownership. Certain other transfers, such as between parent and child, are also excluded from reappraisal, if certain requirements are met and the necessary claims are timely filed (see *Section 2, Exemptions, Exclusions, and Tax Relief*). The information received by the Assessor may be incorrect. For example, the recording of a deed may appear to indicate a change of ownership (a reappraisable event) when in fact it may have only been a trust deed required by a lender. If you believe that the Assessor has incorrectly reappraised your property based on a change of ownership and you are unable to resolve the dispute with the Assessor, then you should file an appeal with the Assessment Appeals Board.

Although the Assessor may be correct in performing the reappraisal, if you believe that the Assessor has incorrectly determined the fair market value, you may still want to file an appeal. Normally, an arms-length, open market transaction determines the fair market value.

An **arms-length, open market transaction** is defined as the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

### Change of Ownership

Change of Ownership refers to the transfer of property from one owner to another. Under Proposition 13 when a Change of Ownership occurs, a new base year value is established for the property. Once the Assessor establishes a new base year value for the property, a Supplemental Tax Bill will be sent, covering the change in value between the old assessed value and the new base year value. See *page 14*.

In some cases, a Change of Ownership will not result in a reassessment of the property. See Proposition 58, Proposition 60, and Proposition 90 in this glossary for examples.

### Comparable Sales Approach to Value

The Comparable Sales Approach to Value is one of the methods used to determine the value of property; it is the preferred method when reliable market data are available with respect to a given real property. It consists of sales price information of properties that are similar to your property in size, year built, quality, etc. See *page 27*.

### Corrected Tax Bill

A Corrected Tax Bill is issued by the Tax Collector to make a correction to a tax bill previously issued. Generally, a Corrected Tax Bill is issued when payments have not yet been made on the original tax bill. The Corrected Tax Bill replaces the previous tax bill. See *page 24*.

### County Board of Equalization

The County Board of Equalization resolves assessment value disputes between the Assessor and the property owner. In the County of Los Angeles, the County Board of Supervisors has established the Assessment Appeals Board to act as the County Board of Equalization. See *page 11*.

### Cost Approach to Value

The Cost Approach to Value uses the actual direct and indirect costs of acquiring land, the costs of building materials and labor, the cost of insurance, etc., to establish the assessed value of a property. See *page 29*.

### Direct Assessments

Direct Assessments are a type of tax charged property owners for specific services provided that benefit the property owner. Examples of direct assessments include street maintenance, flood control, weed abatement, etc. Direct Assessments are listed separately on the tax bill. See *Proposition 13 and the Tax Rate, page 5*.

### Disaster, Misfortune and Calamity

See *Misfortune and Calamity, page 8*.

**Assessed Value**

The Assessed Value of property is determined by the Assessor's Office. Generally, the Assessed Value is the fair market value of the property as of the valuation date, that is, the date used when determining the Assessed Value. *See page 6.*

**Assessment Appeals Board**

In the County of Los Angeles, the Assessment Appeals Board acts as the Board of Equalization on behalf of the Los Angeles County Board of Supervisors. The Assessment Appeals Board is responsible for resolving disputes between the Assessor and the property owner regarding the assessed value of a property. *See page 11.*

**Assessor**

The Assessor is the County Assessor. The Assessor is responsible for identifying all properties within the County of Los Angeles that are subject to taxation and establishing an assessed value for each of the properties. *See page 18.*

**Assessor's Identification Number**

The Assessor's Identification Number (AIN) is a ten digit number assigned by the Assessor to each piece of real property in the County of Los Angeles. The AIN is used on tax bills and correspondence to uniquely identify real property. The ten digit AIN is made up of a four digit Map Book Number, a three digit Page Number, and a three digit Parcel Number. *See page 4.*

**Arm's Length Transaction**

An Arm's Length Transaction refers to a transaction or a sale in which neither the seller nor the buyer is in a position to take advantage of the other or to receive preferential treatment from the other; both the seller and buyer are trying to maximize their gains. *See page 14.*

**Base Year Value**

The Base Year Value is the value established by the Assessor when: (1) the ownership of property changes, (2) new construction is completed, or (3) new construction is partially completed on the lien date. *See page 13.*

**Board of Supervisors**

The Board of Supervisors is the governing body for the County of Los Angeles. The Board of Supervisors is responsible for appointing individuals to act as members of the Assessment Appeals Board and as Assessment Hearing Officers. The Assessment Appeals Board acts on behalf of the Board of Supervisors as the County's board of equalization. *See Assessment Appeals Board, page 11.*

**Board**

The term Board generally refers to an Assessment Appeals Board when used in the context of assessment appeals. *See page 11.*

If you think that the base year value, as determined by the County Assessor, is higher than the actual fair market value for your property, as substantiated, for example, by your escrow statement, then you should file an appeal. Prior to filing an appeal with the Assessment Appeals Board, you should speak with the Assessor to determine how the Assessor established the base year assessed value. If the Assessor has made an error, the Assessor may be able to adjust the base year assessed value without your needing to file an appeal. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on the Notice of Assessed Value Change or Adjusted, Corrected or Supplemental Tax Bill. If you do not file within the 60 day period, and still wish to dispute the new base year value, you must file an appeal during the regular filing period (July 2 through September 15) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

**New Construction Appraisals**

The Assessor is required to appraise new buildings, structures, and additions. Copies of all building permits are sent to the Assessor's Office by the cities and County (*see Section 2, Figure 2A, The Property Tax System, page 3*). Based on the information provided in the building permit, the Assessor may initiate an appraisal of the **new construction**. The Assessor is required to send the property owner a Notice of Assessed Value Change informing the property owner of the change in value and why the property was appraised.

In cases of actual new construction, the Assessor is obligated to appraise the construction and change the assessed value accordingly. Although the Assessor may be correct in performing the appraisal, if you feel that the Assessor has overvalued the construction work, you may still want to file an appeal. Prior to filing an appeal with the Assessment Appeals Board, you should speak with the Assessor to determine how the Assessor established the assessed value for the new construction. If the Assessor has made an error, the Assessor may be able to adjust the new construction assessed value without your needing to file an appeal.

However, if the building permit only covered structural repairs, replacement, or maintenance of improvements, then in most situations this work would not be appraisable. If you feel that the Assessor has incorrectly appraised maintenance or repair construction work, then you should file an appeal. Again, you may find it helpful to speak with the Assessor prior to filing an appeal. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on the Notice of Assessed Value Change or the Adjusted, Corrected or Supplemental Tax Bill. If you do not file within the 60 day period, and still wish to dispute the new base year value, you must file an appeal during the regular filing period (July 2 through September 15) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

**Supplemental Assessments and Supplemental Tax Bills**

When a change in ownership occurs or new construction is completed, State law requires the Assessor to reappraise property immediately. The difference between the new assessed value and the old assessed value is the **supplemental assessment**. The Auditor-Controller calculates the supplemental property tax, and prorates it based upon the number of months remaining in the current fiscal year, which runs from July 1 through June 30.

The Treasurer and Tax Collector bills the property owner for this supplemental property tax on a **Supplemental Tax Bill**. (See Appendix, pages 54-55, for an example of a Supplemental Tax Bill.) Because the Supplemental Tax Bill only addresses the incremental or increased assessed value, the Supplemental Tax Bill is in addition to the regular Annual Tax Bill.

If you receive a Supplemental Tax Bill, you should examine it closely and make sure that you understand why the Supplemental Tax Bill was issued. If you feel that the Assessor has incorrectly reappraised your property, then you should file an appeal. You may want to talk with the Assessor's Office prior to filing an appeal. If you decide to file an appeal, it must be filed within 60 days of the mailing date shown on either the Notice of Assessed Value Change or the Supplemental Tax Bill. If you do not file within the 60 day period, and still wish to dispute the new base year value, you must file an appeal during the regular filing period (July 2 through September 15) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

**Trended Base Year Value**

Except for the three reappraisable events addressed above, real property assessments cannot be increased by more than 2% annually, regardless of the rate of inflation. Under Proposition 13, the State Board of Equalization, using the California Consumer Price Index (CCPI), determines the annual percentage increase to be applied to the prior fiscal year's real property assessments. The annual percentage increase (inflationary factor) is applied uniformly throughout the state and may not be greater than 2%.

When this inflationary factor is applied to the base year value of a property, the new assessed value is known as the **trended base year value**. In each subsequent year the inflationary factor is applied to the prior year's assessed value (the trended base year value), resulting in a new trended base year value for the current year. Since the inflation factor is determined on a state-wide basis, and does not take into account the market trends of any one particular area, there may be areas in which a property's fair market value actually declines rather than rises. (See the following Section.)

**Proposition 8 -- Decline in Value**

(See Section 2, page 9, Proposition 8 - Decline in Value)

Proposition 8 (Prop. 8) is a constitutional amendment passed by California voters in 1978. It provides for temporary assessed value reductions when property suffers a "decline in value." This situation occurs when the current assessed value (trended base year value) of property is greater than the current fair market value. This could be due to a decline in the overall market, as well as such problems as obsolescence, or deferred maintenance.

If you believe that the current assessed value of your property is higher than the current fair market value as of the **lien date**, then you should file for a "decline in value" reduction. Free Request for "Decline-In-Value" Reassessment (Prop. 8) forms may be obtained from the Assessor's Office and should be filed directly with the Assessor's Office between January 1 and December 31.

Office of the Assessor  
Public Counter  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 225  
Los Angeles, CA 90012-2770  
(213) 974-3211 or Toll Free (888) 807-2111

**Section 9: Glossary of Terms and Definitions**

Following is an alphabetical listing of terms, and their definitions, used in the text of this brochure.

**Adjusted Tax Bill**

Adjusted Tax Bills are generally the result of a change or correction to the assessed value of the property. See page 24.

**Agents**

An agent is someone that represents you. Your spouse, parent, or children may act as your agent without written authorization being provided to the Assessment Appeals Board. An attorney, hired by you, may also represent you without written authorization being provided to the Assessment Appeals Board. If you wish anyone else to represent you before the Board, you must provide a written Agent's Authorization either as part of the application or at the time of your hearing. See page 32.

**Annual Tax Bill**

The Annual Tax Bill is issued in October of each year, covering the County fiscal year of July 1 through June 30. Generally, the Annual Tax Bill is payable in two installments: the first installment is due by December 10, and the second installment is due by April 10. See page 23.

**Application for Changed Assessment**

The Application for Changed Assessment is the application form used to request a review of the assessed value of your property by the Assessment Appeals Board. To be valid, the application must be filed during the appropriate Filing Period. See page 20.

**Application for "Decline-In-Value" Reassessment (Prop. 8)**

The Application for "Decline-in-Value Reassessment (Prop. 8) is the application form used to request a review of the assessed value of your property by the Assessor's Office. If you believe the assessed value as of the January 1 lien date is greater than the current fair market value as of that lien date, you should file an application with the Assessor's Office between January 1 (lien date) and December 31. See page 18.

Regional  
Offices

Personal Property

Questions concerning personal property (business equipment and fixtures, airplanes, and boats) should be directed to the Personal Property Division of the Assessor's Office. The following lists the office name, region, address and telephone number for the local regional offices of the Personal Property Division. Personal Property Division office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

Culver City - Area 2  
6120 Bristol Parkway  
Culver City, CA 90230  
(310) 665-5300

South El Monte - Area 4  
1441 Santa Anita Avenue  
South El Monte, CA 91733  
(626) 350-4639

Lomita - Area 3  
24330 Narbonne Avenue  
Lomita, CA 90717  
(310) 534-6200

Sylmar - Area 1  
13800 Balboa Boulevard  
Sylmar, CA 91342  
(818) 833-6000

Marine, Aircraft, and Manufactured Homes  
(213) 974-3119

Area  
Offices

Major Commercial and Industrial Property

Questions concerning major commercial and industrial property should be directed to the Major Properties Division of the Assessor's Office. With the exception of Region 25 (which is divided between the Culver City and Sylmar offices), and Region 27 (Norwalk), all records are maintained at the Kenneth Hahn Hall of Administration in downtown Los Angeles. The following lists the office name, region, address, telephone number, and office hours for the local regional offices of the Major Properties Division.

Region 25 (divided between the West District and North District offices)

Office Hours: 8:00 a.m. to 5:00 p.m., Monday through Friday.

West District Office  
Culver City  
6120 Bristol Parkway  
Culver City, CA 90230  
(310) 665-5300

North District Office  
Sylmar  
13800 Balboa Boulevard  
Sylmar, CA 91342  
(818) 833-6000

Region 27

Office Hours: 8:00 a.m. to 5:00 p.m., Monday through Friday

Norwalk Office  
12440 Firestone Boulevard, #2000  
Norwalk, CA 90650  
(562) 406-7525

Forms filed with the Assessor's Office during the January 1 through December 31 period apply to the assessed value for the fiscal year beginning with July 1 of that year.

If you do not hear from the Assessor by July 2, or disagree with the Assessor's conclusion, you may still file an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period, July 2 through September 15.

**Other Considerations When Deciding Whether to File an Appeal**

Personal Property In addition to the reasons above, you may appeal the assessed value of personal property (aircraft, boats) and/or business property (equipment and fixtures) in any year during the regular filing period if you feel that the Assessor has assessed their value incorrectly.

Penal Assessments If you are subject to a **penal assessment**: 1) for failure to timely file Business Property or Personal Property statements with the Assessor; 2) for failure to properly file a Preliminary Change of Ownership Report with the Assessor; or 3) for concealment of tangible personal property or fraudulent act or omission causing escape of taxable tangible property; and you feel that these penal assessments are not justified, you may file an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period, July 2 through September 15.

Late Payment Penalties The Assessment Appeals Board has no jurisdiction over late payment penalties for failure to pay taxes when due. Therefore, even if you are planning to appeal the assessed value of your property, you should pay your taxes when due to avoid penalties and interest.

**Reasons for Filing an Appeal**

Box 6 - The Facts: Application for Changed Assessment

Reasons for filing an Application for Changed Assessment 2000/2001 (an assessment appeal) with the Assessment Appeals Board are listed in "Box 6 - The Facts" on the application form (see *Appendix, page 48, Application for Changed Assessment*).

If you are planning to file an appeal, you should review the reasons shown in "Box 6 - The Facts" on the application form and the instructions on the back of the application form to determine if you have a reason for filing. If you have any questions concerning the reasons for filing and how they may apply in your particular situation, you should talk with or visit the Assessor's Public Service Location for your property. (See *Section 8, Information Sources and Contacts*.) The Assessment Appeals Board staff can also provide help by answering questions about the appeal process, providing you free application forms, and explaining when and how to file an appeal. When you call or visit the Assessor's Office or the Assessment Appeals Board, it is helpful to have all relevant notices, information, or tax bills with you.

Section 5: How and When to File an Application for Changed Assessment (Assessment Appeal)

Filing an Assessment Appeal

Applications for assessment review may be filed with both the Assessor’s Office and a formal Assessment Appeals Board. (See Appendix, page 48, Application for Changed Assessment, Box 6 - The Facts.)

Filing an Assessment Appeal Based on Proposition 8 -- Decline in Value

- (1) Application for “Decline-In-Value” Reassessment (Prop. 8)  
Filed Directly with the Assessor’s Office

If you are planning to file an appeal based on Proposition 8 -- Decline in Value, you should consider filing a form entitled “Application for ‘Decline-In-Value’ Reassessment (Prop. 8)” with the Assessor’s Office. This form is available from any of the Assessor’s Public Service Locations. (See Section 8, Information Sources and Contacts.) Read the application carefully before completing it. The completed application must be filed with the Assessor’s Office between January 1 (the lien date) and December 31; this application is for the assessed value of your property for the next fiscal year, which begins on July 1.

To support the “Application for ‘Decline-in-Value’ Reassessment (Prop 8)”, you will be required to provide evidence that the fair market value of your property on the lien date, January 1, is less than the assessed value on the lien date. Your opinion of the fair market value of your property can be supported by the sales of comparable properties. You should choose three comparable sales that occurred as close to the January 1 lien date as possible, but not more than 90 days after the lien date. You may use any comparable sales that occur before the lien date, but the closer to the January 1 lien date the comparable sales are the more useful they will be.

Regional Offices	Residential Property
	Single-family detached homes, condominium, residential-income, and small commercial and industrial properties are processed by the Real Estate Division. The following lists the office name, region, address and telephone number for the local regional offices of the Real Estate Division. Real Estate Division office hours are 8:00 a.m. to 5:00 p.m., Monday through <b>Friday except for the Van Nuys Satellite office whose office hours are 8:30 a.m. to 4:30 p.m., Monday through Friday.</b>

<u>Culver City District Office - Regions 09, and 07:</u> 6120 Bristol Parkway Culver City, CA 90230 (310) 665-5300	<u>South El Monte - Region 05</u> 1190 Durfee Avenue South El Monte, CA 917330 (626) 579-8589
<u>Lancaster - Region A1</u> 251 E. Avenue K-6 Lancaster, CA 93535 (661) 940-6700	<u>South El Monte - Region 11</u> 1441 Santa Anita Avenue South El Monte, CA 91733 (626) 350-4695
<u>Lomita - Region 14</u> 24330 Narbornne Avenue Lomita, CA 90717 (310) 534-6100	<u>Sylmar - Region B1, 02 &amp; 03</u> 13800 Balboa Blvd. Sylmar, CA 91342 (818) 833-6000
<u>Long Beach - Region 10</u> 5898 Cherry Avenue Long Beach, CA 90805 (562) 984-5111	<u>Van Nuys - Public Service Satellite</u> 14340 Sylvan Street Van Nuys, CA 91411 (818) 901-3455
<u>Norwalk - Region 12</u> 12440 Firestone Boulevard, #2000 Norwalk, CA 90650 (562) 406-7525	<u>West Covina - Region 06</u> 2934 East Garvey Avenue, South, #290 West Covina, CA 91791 (626) 859-6400
<u>Santa Clarita - Public Service Satellite</u> 25050 Peachland Ave., Room 210 Santa Clarita, CA 91321 (661) 254-9550	



**Office of the Assessor Contact Information**

The following addresses and telephone numbers are provided to help you contact the Assessor and his staff.

**Headquarters**    Office of the Assessor  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 225  
Los Angeles, CA 90012-2770  
(213) 974-3211  
Office Hours: 8:00 a.m. to 5:00 p.m., daily.

**General Information**    Office of the Assessor  
Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 225  
Los Angeles, CA 90012-2770  
(213) 974-3211  
Office Hours: 8:00 a.m. to 5:00 p.m., daily.

Service is available at the Public Counter in Room 225 . Those records are stored at the local regional offices. Personnel at this location can answer general questions, provide free application and claim forms, and make copies of many of the Assessor's records for a fee. This location does not maintain the original assessment records for residential property.

**Assessor's Main Office**    Office of the Assessor  
Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012-2770  
(213) 974-3211  
Office Hours: 8:00 a.m. to 5:00 p.m., daily.

The Assessor's Reference Library is located in Room 205. Materials available for public inspection are maintained here and include:

- Assessor's Map Books
- Assessment Roll Records
- On-Line Property Database Access
- Sales Listings (source of comparable sales information)
- Tract Index

Much of this information is also available at the local regional offices.

If you choose to file a "Decline-in-Value" application with the Assessor's Office, you may be filing an application with the Assessor (deadline of December 31) prior to receiving your Annual Tax Bill showing the assessed value of your property. You can estimate the Assessor's assessed value for the coming fiscal year by multiplying the previous year's assessed value by the number 1.02. If the result is greater than the fair market value supported by your comparable sales information, you may qualify for a reduction.

If the Assessor agrees that a property has declined in value, the assessed value of your property will be reduced to the fair market value on the lien date as determined by the Assessor.

(2)    Application for Changed Assessment Based on Proposition 8  
**Filed with the Assessment Appeals Board**

Even if you file an Application for "Decline-In-Value" Reassessment (Prop. 8) form with the Assessor's Office prior to September 15, you may still want to file an Application for Changed Assessment form with the Assessment Appeals Board. If the Assessor's Office notifies you of their decision prior to September 15 regarding your Application for "Decline-In-Value" Reassessment (Prop. 8) application and if you are not satisfied with the results, you can still file an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period (July 2 through September 15). If you do not file an application with the Assessment Appeals Board before the September 15 deadline, and you disagree with the Assessor's decision on your Application for "Decline-In-Value" Reassessment (Prop. 8) application, you will have no further appeal for that tax year.

If you do not file an Application for "Decline-In-Value" Reassessment (Prop. 8) form with the Assessor's Office between January 1 and December 31, you can still request a reduction in the assessed value of your property under Proposition 8 by filing an Application for Changed Assessment form with the Assessment Appeals Board during the regular filing period of July 2 through September 15. Application for Changed Assessment forms are free and are available from the Assessment Appeals Board. *(See Section 3, Assessment Appeals Board.)*

Filing Assessment Appeals for Reasons Other than Proposition 8 -- Decline in Value

If you are filing an assessment appeal based on any reason other than Proposition 8 Decline in Value, then the appeal must be filed with the Assessment Appeals Board. The appeal should be filed using the Application for Changed Assessment form. The forms are free and are available from the Assessment Appeals Board.

**Application for Changed Assessment Form (Assessment Appeal Application)**

Applications to appeal the assessed value of your property before the Assessment Appeals Board must be filed on an original County of Los Angeles **Application for Changed Assessment** form. Xerographic copies or other reproductions of the form will not be accepted.

Application for Changed Assessment forms may be obtained, free of charge, from the Assessment Appeals Board, County of Los Angeles, Room B-50, Kenneth Hahn Hall of Administration, 500 W. Temple Street, Los Angeles, CA, 90012; telephone number: (213) 974-1471.

Before you begin filling out your application: (1) get the tax bill or Notice of Assessed Value Change that shows the assessment that you plan to appeal, and (2) read through the application form, front and back, and any other information or instructions that are sent with the application, this will make the task of completing the application easier.

Having the tax bill or Notice of Assessed Value Change in front of you while you complete the application will help ensure that the information on your application is accurate and complete. If you have any questions, please feel free to contact the Assessment Appeals Board staff at (213) 974-1471.

A copy of the 2000/2001 Application for Changed Assessment form, front and back, can be found in the Appendix, pages 48-49, at the back of this brochure. The copy of the form is included so that you can become thoroughly familiar with the information that is required to properly and accurately complete the application form. Take the time to read the application form and the instructions carefully. Understanding what information is necessary to complete the form is the first step in successfully filing an assessment appeal. If the application which you file is incomplete, or information on the form is inaccurate, the filing of your assessment appeal may be delayed or denied.

**Where to File Your Application**

Completed Application for Changed Assessment forms must be filed in a timely manner with the Assessment Appeals Board. If the application is being mailed through the United States Postal Service (USPS), it must be postmarked on or before the last day of the appropriate filing period and should be mailed to:

County of Los Angeles  
Assessment Appeals Board  
P.O. Box 53596  
Los Angeles, CA 90053-0596

If the assessed value of my property has been reduced, when will I get my refund? If you paid your taxes when due, and your property's assessed value is reduced as a result of an assessment appeals hearing, you should normally get a refund approximately two to three months after you receive notice of the Board's decision. The Auditor-Controller's office is responsible for processing refunds. If you did not pay your taxes when due, you will receive a Corrected Tax Bill showing the taxes due, along with any interest or penalties that might be due.

**Section 8: Information Sources and Contacts**

The County has many offices available to help you understand the assessment process. General information can usually be obtained over the telephone. Other information, such as comparable sales information, is available at appropriate County office locations. You should feel free to contact the various County offices to obtain the information necessary for you to understand how, when, and if you should file an appeal of the assessed value of your property.

Following are some topics and related telephone numbers that you may find helpful. A listing of the locations of the Assessor's offices throughout the County are also provided.

Topic	Contact Information
Assessment Appeals	Assessment Appeals Board (213) 974-1471 or Toll Free Number (888) 807-2111 Applicants who are hearing impaired who have TDD equipment may have a message by calling (213) 893-7807 (TDD) or use California Relay Service (800) 735-2929
Direct Assessments	Office of the Auditor Controller (213) 974-8368
Homeowners Exemption	Homeowners Exemption Division of the Assessor's Office (213) 974-3211
Tax Payments	Treasurer and Tax Collector's Office (213) 974-2111

If the Assessor and I have agreed on an assessed value prior to my hearing date, do I need to show up for my hearing? If you have talked with the Assessor and have come to an agreement regarding a changed assessed value for your property, you still must appear at the hearing. There are three instances when you do not have to appear: (1) The hearing is being held during the assessment period for the year you are appealing. For example, if you filed an appeal for the 2000 assessment year and the hearing is between July 1, 2000 and June 30, 2001, the Assessor may submit a correction. (2) The Assessor is recommending a change due to a clerical or processing error (not an error in judgment). (3) You have signed a stipulation. A "Stipulation For Changed In Assessed Value" is a form initiated by the Assessor waiving the applicants appearance at the hearing. The form requires the signature of the applicant, a representative of the Assessor's Office and County Counsel. Please contact the Assessor for more details on stipulations. Under any of these three situations, you must notify the Assessment Appeals Board in writing that you wish to withdraw your application pending the Assessor's correction.

If I decide not to pursue my assessment appeal, do I need to show up for the hearing? If after talking with the Assessor's Office about the assessed value of your property or after collecting evidence for your hearing, you decide not to pursue your assessment appeal, you should notify the Assessment Appeals Board in writing that you wish to withdraw your application. The hearings represent a substantial cost to taxpayers. By giving the Assessment Appeals Board staff prior notice that you do not wish to pursue your assessment appeal application, the hearing time allotted to you may be used to schedule and hear other appeals.

Can the assessed value of my property be increased as a result of my assessment appeal? The Assessment Appeals Board is required to base their decision regarding the assessed value of your property on the evidence presented at the hearing. So it is possible that the assessed value of your property could be raised as a result of your appeal, but the increased value will never be greater than the trended base year value for your property. *(See the discussion of Trended Base Year Value in Section 4, page 16.)*

If the Assessor intends to ask for an increase in the assessed value of your property above the assessed value on the local assessment roll, the Assessor must notify you in writing. This written notification is known as a "raise letter" and must be sent to you at least 10 days prior to the scheduled hearing date. Once the Assessor has issued a "raise letter", you are not permitted to withdraw your application.

After the hearing is over, when will I be notified of the Board's decision? If your hearing is before a Hearing Officer, you will be notified of the Hearing Officer's recommendation immediately. If both you and the Assessor accept the Hearing Officer's recommendation, you will normally receive notification of the Board's final action approximately six weeks after your hearing.

If your appeal is heard by an Assessment Appeals Board, you will normally be notified of the Board's final action at the time of your hearing.

If the application is being delivered in person it should be filed not later than 5:00 p.m. on the last day of the appropriate filing period at:

County of Los Angeles  
Assessment Appeals Board  
Room B-50  
Kenneth Hahn Hall of Administration  
500 W. Temple Street  
Los Angeles, CA 90012  
(213)974-1471

Applications may be delivered personally by hand, delivered by a shipping service (FedEx, UPS, etc.), or delivered through the United States Postal Service (USPS). Whatever delivery method is used, the applications must be received timely, meeting appropriate application due dates or deadlines.

### **Application Due Dates -- Filing Periods with the Assessment Appeals Board**

The **filing period** for an Application for Changed Assessment is determined by the assessment you are disputing and how you were notified of the disputed assessment. Normally, you will be notified of an assessment either by a Notice of Assessed Value Change sent from the Assessor's Officer or by a tax bill sent from the Treasurer and Tax Collector's Office.

The Notice of Assessed Value Change sent from the Assessor's Office will identify the property, the tax roll year, the new assessed value, the reason for the change in assessment, and the date on which the new assessed value was determined. The tax bill, issued by the Treasurer and Tax Collector's Office, will also identify the property, the tax roll year, the assessed value on which the taxes are computed, and the lien or valuation date. If the tax bill is an Adjusted, Corrected or Supplemental Tax Bill, it will also indicate the reason the tax bill was issued. Figure 5A, Application for Changed Assessment Filing Period Due Dates, provides a summary of filing period due dates for appeals filed with the Assessment Appeals Board.

If the due date falls on a Saturday, Sunday, or a legal holiday, the due date is the next business day.

### **Filings Based on Notice of Assessed Value Change**

Filing Period: Within 60 days of the mailing date shown on the Notice of Assessed Value Change *(See Figure 5A, page 22.)*

If you received a Notice of Assessed Value Change and wish to dispute the assessed value of the property on the notice, the Application for Changed Assessment (Assessment Appeal) must be filed, postmarked (USPS) or received by the Assessment Appeals Board, within 60 days of the mailing date shown on the Notice of Assessed Value Change.

**Figure 5A**  
**Application for Changed Assessment**  
**Filing Period Due Dates**  
**(Filed with the Assessment Appeals Board)**

HOW YOU WERE NOTIFIED OF THE ASSESSED VALUE YOU WISH TO APPEAL	MOST COMMON REASONS FOR FILING (BOX 6 ON 2000/2001 APPLICATION)	APPLICATION DUE DATE
Annual Tax Bill - Secured Property (generally real property)	<ul style="list-style-type: none"><li>• Decline in Value (Prop. 8)</li><li>• Base Year</li></ul>	July 2 through September 15 (The filing period is prior to receipt of Annual Tax Bill. See <sup>②</sup> below for an example.) <sup>①</sup>
Annual Tax Bill - unsecured Property (generally real property)	<ul style="list-style-type: none"><li>• Personal Property/Fixtures</li><li>• Penalty Assessment</li></ul>	July 2 through September 15
Notice of Assessed Value Change	<ul style="list-style-type: none"><li>• Base Year</li><li>• No Change of Ownership</li></ul>	Within 60 days of the mailing date shown on the Notice of Assessed Value Change <sup>①</sup>
Supplemental Tax Bill	<ul style="list-style-type: none"><li>• Base Year</li><li>• No Change of Ownership</li><li>• No New Construction</li></ul>	Within 60 days of the mailing date shown on the Supplemental Tax Bill <sup>①</sup>
Adjusted, Corrected or Escaped Tax Bill	<ul style="list-style-type: none"><li>• Base Year</li><li>• No Reassessable Event</li><li>• Personal Property/Fixtures</li><li>• Decline in Value (Prop. 8)</li></ul>	Within 60 days of the mailing date shown on the Adjusted, Corrected or Escaped Tax Bill <sup>①</sup>
Assessor's Notice of Reassessment based on Misfortune and Calamity Claim	<ul style="list-style-type: none"><li>• Calamity</li></ul>	Within 14 days of the mailing date shown on the Assessor's Notice of Reassessment

① Applications disputing Base Year Value may also be submitted during the regular filing period (July 2 through September 15) for the year in which the new base year value is enrolled or during the regular filing period for any one of the following three years.

② For example, the 2001/2002 tax year goes from July 1, 2001 through June 30, 2002. The Annual Tax Bill for the 2001/2002 tax year is mailed in October 2001. An application for an assessment appeal based on Decline in Value (Prop. 8) is due between July 2, 2001 and September 15, 2001 which is before the Annual Tax Bill is issued for the 2001/2002 tax year.

(3) Both the applicant and the Assessor's Representative present evidence. There is reasonable time to present evidence, for witnesses to be cross examined, for questions, argument, and rebuttal. The Hearing Officer may ask questions as well.

If you are appealing the assessed value of an owner-occupied single-family residence, condominium, or cooperative, the Assessor's Representative will present evidence first (the Assessor has the "burden of proof"). For all other properties, the property owner has the burden of proof and must present evidence first.

(4) Based on the evidence presented at the hearing, the Hearing Officer makes a non-binding recommendation regarding the fair market value of the property. The applicant and the Assessor's Representative will get a copy of the recommendation at the end of the hearing.

What do you mean by a "non-binding" recommendation? If either you or the Assessor does not want to accept the Hearing Officer's recommendation, you may request a new hearing before the Assessment Appeals Board. The request must be in writing and filed with the Assessment Appeals Board within 14 days of the date of the recommendation. Information on how to request a new hearing is on the copy of the recommendation that you will get from the Assessment Hearing Officer.

What happens to the recommendation? If neither you nor the Assessor's Representative request a new hearing, the Assessment Hearing Officer's recommendation is sent to the Assessment Appeals Board for review. After reviewing the recommendation, the Board may either accept or reject it. If the Board rejects the recommendation, you and the Assessor will be notified and a new hearing will be scheduled before an Assessment Appeals Board. If the Board accepts the recommendation, you and the Assessor are notified.

If a new hearing is held before an Assessment Appeals Board, neither you nor the Assessor is bound by or limited to the evidence that was presented at the Assessment Hearing Officer hearing. Both you and the Assessor are free to present any evidence that is useful to the Assessment Appeals Board in determining the fair market value of the property in question.

How is a hearing before an Assessment Appeals Board different from a hearing before an Assessment Hearing Officer? The primary differences are: (1) the Board hearing is more formal, for example the proceedings are recorded; (2) the Board's decision is final; and (3) the appeal of the Board's decision is made in Superior Court.

What happens if I don't attend the hearing and I don't send an authorized agent? If you or an authorized **agent** do not appear at the hearing, your application will be denied for nonappearance. "Denied for nonappearance" means that your application is considered closed and no further action will be taken on your appeal. In such a case, a notice of denial will be mailed to you.

If you believe you had a good reason for not appearing at your hearing, you may request that the Assessment Appeals Board reschedule your application for a new hearing. You must file a written request with the Assessment Appeals Board within 60 days from the date of mailing of the notification of the denial due to nonappearance. Such requests are granted only if extraordinary circumstances caused you to miss the hearing.

When will I be notified where and when my hearing will be? The Assessment Appeals Board will normally notify you in writing at least 45 days prior to the scheduled hearing date. Notification will be sent to your last known mailing address. If you have an agent, the agent will also be notified. It is important that you provide the Assessment Appeals Board with any changes in your mailing address in writing. Any change of address filed with the Assessor, Auditor, or Tax Collector does not count. When corresponding with the Assessment Appeals Board you should always include the Assessor's Identification Number (AIN) or Tax Bill Number for the property you are appealing and the Application Number for the assessment appeal application.

Will my case be heard by a Hearing Officer or an Assessment Appeals Board? If your property is a single-family residence, condominium, cooperative, or a multiple-family dwelling of four units or less, regardless of value, or if your property has an assessed value less than or equal to \$3,000,000, then your case may be heard by a Hearing Officer. A hearing before a Hearing Officer is less formal than a hearing before an Assessment Appeals Board.

When filing an application with the Assessment Appeals Board, if your property qualifies, you may choose whether to have your appeal heard before an Assessment Hearing Officer or to have your appeal heard before an Assessment Appeals Board. You are not required to use an Assessment Hearing Officer to hear your appeal, even if your property meets the Assessment Hearing Officer criteria.

The Assessment Appeals Board conducts hearings on applications which do not qualify for a hearing under the Assessment Hearing Officer Program and on applications for which the applicant has specifically requested a hearing before an Assessment Appeals Board.

What is the Hearing Officer Program? The Hearing Officer Program was established to resolve less complex issues of property valuation using an informal proceeding. A Hearing Officer conducts a hearing with you and an Assessor's Representative. Based on evidence presented at the hearing, the Hearing Officer makes a non-binding recommendation regarding the fair market value of the property. During the hearing, the Hearing Officer may determine, because of the complexities of the issues, that the case should be heard by an Assessment Appeals Board. If so, the hearing will be suspended and rescheduled before a Board.

What actually happens at the hearing before a Hearing Officer? The hearing will be conducted with you and a representative of the Assessor's Office present. It will be an informal proceeding, so if you have any questions, feel free to ask them during the hearing. You will need to bring three copies of any evidence that you plan to present at the hearing. Although individual hearings may vary, most follow these steps:

- (1) The application number and applicant's name are announced. If the applicant or applicant's agent is not present, the application is denied for non-appearance (No Show).
- (2) The Assessor's Representative will give a description of the property and its assessed value. The property and its value are described. The applicant and the Assessor's Representative agree that it is the property which is in dispute.

### Filings Based on Tax Bills

There are three basic types of **tax bills** -- an Annual Tax Bill, a Supplemental Tax Bill, and an Adjusted/Corrected/Escaped Tax Bill. If you wish to dispute the assessed value of your property as shown on a tax bill, the Application for Changed Assessment (Assessment Appeal) must be filed, postmarked (USPS) or received by the Assessment Appeals Board, within the appropriate periods as specified below for each type of tax bill.

#### Annual Tax Bill

Secured Property -- Filing Period: July 2 through September 15

Secured Property (real estate, real property) is generally classified as property on which a lien is used to secure the payment of the taxes. Examples of secured property are land and the buildings and structures that are attached to the land, that is, real property. A single family house and the land on which it is located or a condominium are also examples of secured property.

For Secured Property, the **Annual Tax Bill** (See *Appendix, pages 50-51, for an example of an Annual Tax Bill*) covers the fiscal year, July 1 through June 30, and is issued in late October. If you wish to dispute the assessment shown on your Annual Tax Bill for Secured Property, you will need to file your application between July 2 and September 15, before you receive your Annual Tax Bill for the tax year that is the subject of the appeal. If you did not receive a "Notice of Assessed Value Change," or a "Supplemental" or "Adjusted" Tax Bill, you will need to use the prior year's Annual Tax Bill (issued the previous October) plus the 2% inflationary factor as a basis for completing your Application for Changed Assessment. (See *Section 4, Trended Base Year Value, page 16.*)

Applications based on Annual Tax Bills generally cover "Decline-in-Value" issues and are due during the **regular filing period**, July 2 through September 15. (See *Proposition 8 Decline-in-Value, page 19.*)

#### Annual Tax Bill

Unsecured Property -- Filing Period: July 2 through September 15

Unsecured Property is generally classified as property on which a lien is not used to secure the payment of the taxes. Personal property and business personal property would normally be classified as unsecured property. Examples of personal property are aircraft and boats. Examples of business personal property would be business equipment, machinery and leasehold improvements attached to the building.

For Unsecured Property, the Annual Tax Bill that covers the tax year (July 1 through June 30) is generally issued during the period of March through June preceding the tax year. If you wish to dispute the assessment shown on your Annual Tax Bill for Unsecured Property, you will need to file your application between July 2 and September 15. You should receive your Annual Tax Bill for Unsecured Property prior to the deadline for filing.

Supplemental Tax Bill

Filing Period: Within 60 days of the mailing date shown on the Supplemental Tax Bill  
(See Figure 5A, page 22.)

Supplemental Tax Bills (See Appendix, pages 54-55, for an example of a Supplemental Tax Bill) are usually issued as a result of one of three reappraisable events: a change in ownership of property, the completion of new construction, or the partial completion of construction on the lien date. (Section 4 provides a general discussion of these reappraisable events.) If you wish to dispute the assessment shown on a Supplemental Tax Bill, you must file your application within 60 days of the mailing date shown on the Supplemental Tax Bill.

Adjusted, Corrected or Escaped Tax Bills

Filing Period: Within 60 days of the mailing date shown on the Adjusted, Corrected or Escaped Tax Bill (See Figure 5A, page 22.)

**Adjusted, corrected, or escaped tax bills** are the result of audits, corrections, or other reassessments that capture assessed value of property, both real (secured) and personal (unsecured), that had not previously been properly assessed. If you wish to dispute the assessment of an adjusted, corrected, or escaped tax bill, you must file your application within 60 days of the mailing date shown on the tax bill.

Filings Based on Assessor’s Notice due to Misfortune and Calamity Claim

Filing Period: Within 14 days of the mailing date shown on the Assessor’s Notice

If you file a Misfortune and Calamity Claim with the Assessor’s Office, the Assessor’s Office will notify you of any reassessment or reduction in the assessed value of your property. If you wish to dispute the assessment shown on the Assessor’s Notice, you must file your application within 14 days of the mailing date shown on the Assessor’s Notice. “Once the restoration is completed, you will receive a notice of assessed value change then a supplemental bill. If you wish to dispute the assessment of the misfortune and calamity restoration, you may file within sixty (60) days after the date of mailing the tax bill for that assessment.

Section 6: How to Prepare for Your Hearing

Background Information

If you filed an Application for Changed Assessment with the Assessment Appeals Board because you believe that the fair market value of your property is less than the assessed value as determined by the County Assessor, you will need to prepare for your hearing.

Your application will be scheduled to be heard before the Assessment Appeals Board (Board) or an Assessment Hearing Officer. The results of the hearing will be based only on the evidence presented by you and the Assessor’s Representative at your hearing. It is important that you come prepared to present evidence that is admissible and that will adequately support your application.

The Cost Approach to Value

The **cost approach to value** establishes a “fair market value” for a property based on what it would cost to build or replace the structure. This approach may be useful in supporting the fair market value of a newly constructed building, or an addition to an existing building. In addition to the direct cost of construction, costs would include indirect costs such as cost of financing, property taxes paid during construction, and a reasonable allowance for entrepreneurial services.

The “cost” is not always equal to the “value”. For example, the equivalent cost of labor by an owner, sometimes known as “sweat equity”, needs to be included when calculating fair market value. Costs tend to equal value only when the improvement is new and reflects the highest and best use of the land.

Further discussion of the cost approach to value is beyond the scope of this brochure.

Approaches to Valuing Personal Property

The cost of acquiring the personal property is the method most often used. Compare the price the same property would cost if it were purchased within a reasonable time before or after the lien date. At the hearing you will need to present evidence regarding the initial cost of the property, when it was acquired, its condition on the lien date, and its functional and/or economic obsolescence.

Comparable sales for personal property may be used in the case of boats or aircraft. Sales should be reasonably close to the lien date and have occurred in the open market. The sales price should be verified with the buyer, seller, broker, or salesperson.

You should choose comparable sales that occurred as close to the January 1 lien date as possible, but not more than 90 days after the lien date. You may use any comparable sales that occur before the lien date, but the closer to the January 1 lien date the comparable sales are the more useful they will be.

Section 7: What Happens at Your Hearing

Frequently Asked Questions about Hearings

What is the hearing for? The primary purpose of the hearing is to resolve the difference between what you and the Assessor believe the fair market value of your property was on a specific valuation date. The Assessment Hearing Officer (Hearing Officer) or the Assessment Appeals Board (Board) will determine the fair market value of your property as of a specific valuation date based on the evidence presented at the hearing by you and the Assessor’s Representative. Testimony during the hearing is taken under oath or affirmation.

The **valuation date** for Applications for Changed Assessment based on Proposition 8 (Decline-in-Value) is the lien date. The valuation date for fiscal year 2000-2001 is the January 1 that immediately precedes the fiscal year. For fiscal year 2000-2001, the lien date is January 1, 2000. Therefore, the date of sale for comparable properties to support an application based on Proposition 8 -- Decline in Value must not be after March 31 (90 days after the January 1 valuation date). You may use any comparable sales that occur before the lien date, but the closer to the January 1 lien date the comparable sales are the more useful they will be.

The valuation date for a change in ownership is the date of sale, usually the date the transfer is recorded with the County Recorder. The valuation date for new construction is the date the new construction is completed. The valuation date for partially completed construction is the lien date, which is January 1. The date of sale for comparable properties used as evidence to support your application should be as close to the valuation date as possible, but cannot be more than 90 days after the valuation date for the property that you are appealing. You may use any comparable sales that occur before the valuation date, but the closer to the valuation date the comparable sales are the more useful they will be.

*The comparable sales approach to value is usually the recommended approach for collecting evidence to support the fair market value of single-family residences.*

A separate brochure, [How to Prepare for Your Assessment Appeal Hearing](#), provides detailed information on preparing for your hearing. It includes a step-by-step guide on how to collect comparable sales information at the Assessor's Office, including a sample worksheet giving a suggested format to help organize the comparable sales information. This brochure is sent to applicants at the time their hearing is scheduled or may be obtained by calling or writing the Assessment Appeals Board. The information in the brochure is also available on the Internet at <http://bos.co.la.ca.us/Categories/Appeals/Overview.htm> and at County and city libraries.

### The Income Approach to Value

The **income approach to value** is used when the property has been purchased in anticipation of the money income that it will generate. An apartment building, purchased to generate rental income, would be an example of when the income approach to value would be appropriate.

Using the income approach, the anticipated future income stream from the property is estimated and then the present value of that future income stream is calculated. The present value depends on size, variability, and duration of the estimated future income stream and on the capitalization rate that is used to discount the future income to its present value. When using the income approach to value, economic income (not contract income) should be used.

Further discussion of the income approach to value is beyond the scope of this brochure.

The following few paragraphs provide some background information and review some basic concepts that will be useful as you prepare for your hearing.

### Assessment Appeals Board

The Assessment Appeals Board sits as the County board of equalization on behalf of the Board of Supervisors. In accordance with the eligibility requirements established by state law, the Board of Supervisors selects and appoints the members of the Assessment Appeals Board and the Assessment Hearing Officers based on their knowledge, experience, and qualifications. Board members and Hearing Officers act as impartial judges to determine the fair market value of property based on evidence presented at hearings.

The Assessment Appeals Board and Assessment Hearing Officers are not part of the Assessor's Office. They are part of the Executive Office of the Board of Supervisors and act as an independent third party to hear and resolve disputes between property owners and the Assessor.

### California Constitution -- Proposition 13

The Assessor, under Proposition 13, is responsible for reappraising real property when one of three things happens: (1) when the ownership of the property changes; (2) when new construction is completed; and (3) when new construction is partially completed on the **lien date**. The "assessed value" established by the Assessor's Office when one of these three things happens is known as the **base year value**.

Proposition 13 also permits the "assessed value" of property to be increased yearly, on the Lien Date, to adjust for inflation. The amount of the increase is determined by the California State Board of Equalization and may not exceed 2% for any year, as provided by Proposition 13. The yearly adjusted "assessed value" is known as the **trended base year value**.

### Lien Date

The **lien date** is the date on which taxes for any fiscal year become a lien on property. Except as otherwise specifically provided, all tax liens attach annually as of the lien date preceding the fiscal year for which the taxes are levied.

### Arms Length, Open Market Transaction

The words "full value," "**full cash value**," "cash value," "actual value," and "fair market value" are all used to mean the same thing: the price a property would sell for in an "arms-length, open market" transaction. An "arms-length, open market" transaction is defined as the price at which a property, if exposed for sale in the open market, with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other. The purchase price of property sold under these conditions should normally be the "fair market value" or "assessed value" of the property.

Valuation Date

The **valuation date** is the date used by the Assessor when establishing the assessed value for property. The following table, Figure 6A, Typical Valuation Dates, shows typical appraisal or reappraisal events, their corresponding valuation dates, and the most common reasons for filing an appeal:

**Figure 6A**  
**Typical Valuation Dates**

APPRAISAL OR REAPPRAISAL EVENT	VALUATION DATE	MOST COMMON REASONS FOR FILING AN APPEAL (BOX 6*)
Change of Ownership (base year value)	Actual Date of Transfer	<ul style="list-style-type: none"><li>• Base Year</li><li>• No Reassessable Event</li></ul>
New Construction (base year value)	Date of Completion	<ul style="list-style-type: none"><li>• No Reassessable Event</li></ul>
Partial New Construction (base year value)	Lien Date	<ul style="list-style-type: none"><li>• Base Year</li><li>• No Reassessable Event</li></ul>
Yearly Inflationary Adjustment Under Proposition 13 (trended base year value)	Lien Date	<ul style="list-style-type: none"><li>• Decline in Value</li></ul>
Personal Property Assessment (Annual Business Personal Property Statement)	Lien Date	<ul style="list-style-type: none"><li>• Personal Property Fixtures</li></ul>

\* Box 6 of the Application for Changed Assessment

**Preparing for Your Hearing -- Collecting Evidence**

In preparation for your hearing, you will need to collect and organize the evidence you plan to present to the Hearing Officer or Board. As part of preparing your case, we urge you to contact the Assessor's Regional Office where the property is located to review and verify the circumstances of the assessment you are appealing. Contacting the Assessor could result in resolving your case without a hearing.

Evidence

It will be necessary for you to collect and organize **evidence** to support your opinion of the "**fair market value**" of the property covered by your application.

*Please Note:* Any documents or correspondence submitted with your original application will not be forwarded to the Assessor's Office and will not be provided to the Assessment Hearing Officer or the Assessment Appeals Board at the time of your hearing. The outcome of your hearing will be determined only by the evidence presented at the hearing. Any evidence that you wish to be considered must be presented to the Hearing Officer or the Board at the time of your hearing.

*If you are scheduled before a Hearing Officer, you will need to bring three copies of any written evidence you wish to present at the hearing. If you are scheduled before an Assessment Appeals Board you will need to bring five copies of any written evidence you wish to present at the hearing.*

Exchange of information

Under certain circumstances a formal exchange of information may be requested by either you or the Assessor's Office. Such a request must be in writing and filed with the Assessment Appeals Board clerk at least 20 days before the hearing. When a formal exchange of information is requested, both you and the Assessor's Office must provide each other, in writing, the basis of the opinion of value for the disputed property and the evidence used to support that opinion of value. When responding to a request for an exchange of information, the response must be made at least 10 days prior to the scheduled hearing. When an exchange of information occurs, the evidence at the hearing is largely restricted to what information has been exchanged. Before requesting a formal exchange of information, make sure you clearly understand the limitations and restrictions on what evidence can be presented at a hearing once an exchange of information has occurred.

The evidence you present needs to be admissible. Certain information, like the assessed value of your neighbor's property, your ability to pay your taxes, a disability or hardship, or the fact that owners of property similar to your property pay less taxes, is not admissible as evidence. The following paragraphs discuss different types of admissible evidence.

The Comparable Sales Approach to Value

The **comparable sales approach to value** is the most common and reliable type of evidence used to support an opinion of "fair market value". It is evidence based on the sales of comparable properties. There are three general criteria used to evaluate the "comparability" of a sale: (1) the sale must be an arms-length open market transaction; (2) the sale of the "comparable" property must involve a property that is similar in size, quality, age, condition, utility, amenities, site location, legally permitted use, and other physical attributes; and (3) the date of sale of the comparable property must not be more than 90 days after the valuation date for which the fair market value of your property is being determined.